

BYLAWS
OF
CATOCTIN MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Catoctin Meadows Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 201 North 23rd Street, Purcellville, Virginia 20132, but meeting of members and directors may be held at such places within the Commonwealth of Virginia as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Catoctin Meadows Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Facilities" shall mean all real property and facilities owned by the Association for the common use and enjoyment of the owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties with the exception of the Common Facilities, and areas dedicated as public streets.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or which is a part of the Property, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Catoctin Meadows, L.C., a Virginia limited liability company, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded herewith in the Office of the Clerk of Court, Loudoun County, Virginia.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration. Every person or entity who is a record owner of any lot is entitled to membership and voting rights in the Association, such membership is appurtenant to and inseparable from ownership of the lot.

Section 9. "Public Purchaser" shall mean any person or other legal entity who becomes an Owner of any Lot within Catocin Meadows.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The Association shall hold an Annual Meeting of the members each year within one year from the date of incorporation for the transaction of any business within the powers of the Association. Such Annual Meeting shall be held in the same of each year and at a time to be designated by the Board of Directors from time to time. Failure to hold an Annual Meeting at the designated time shall not, however invalidate the corporate existence or affect otherwise valid corporate acts.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth (1/4) of all the votes outstanding in either class of membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of each notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to vote or of proxies entitled to vote, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Such proxies may be granted by any owner in favor of only another owner, a member of the Board of Directors, the Declarant, the managing agent or such unit owner's Mortgagee, or additionally in the case of a non-resident Owner, the owner's lessee, attorney or rental agent. No person other than the managing agent or a member of the Board of Directors shall cast votes as a proxy for more than one unit not owned by such person. There are no restrictions on the number of uninstructed proxy ballots which can be cast by a member of the Board of Directors or managing agent. Proxies shall be duly executed in writing, shall be witnessed, shall contain the full name and address of the witness, shall be dated, shall be signed by a person having authority at the time of the execution thereof to execute deeds on behalf of that person, shall be valid only for the particular meeting designated therein and any continuation thereof, and must be filed with the Secretary. Such

proxy shall be deemed revoked only upon actual receipt by a person presiding over the meeting of notice of revocation from any persons owning such unit. Except with respect to proxies in favor of a lessee or Mortgagee, no proxy shall in any event be valid for a period in excess of 180 days after the execution thereof.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Composition. The Board of Directors shall consist of not fewer than two ~~(2)~~ members and not more than five (5) members. The initial Board shall consist of two ~~(2)~~ members appointed by the Declarant. At the first Annual Meeting after Class B membership terminates, the Board of Directors shall be expanded to consist of five (5) members. Until Class B membership and the Class B voting rights expire, the Board shall consist of appointed Directors. Thereafter, all Directors shall be elected.

Section 2. Appointed Directors. Appointed Directors shall be appointed by the Declarant and shall serve two year terms or until their successor is appointed. Such appointed Directors may be reappointed and they need not be members of the Association. The Declarant shall appoint two (2) Directors until such time as the Class B membership expires.

Section 3. Elected Directors. Until the expiration of the remaining terms of all appointed Directors, all elected Directors shall be elected for two (2) year terms and shall be members of the Association. At the annual meeting following the expiration of the final term of all of the appointed Directors, Directors shall be elected for staggered terms, as follows: two (2) Directors shall be elected for one (1) year terms, two (2) Directors shall be elected for two (2) year terms and one (1) director shall be elected for a three (3) year term. Thereafter, all Directors shall be elected for three (3) year terms.

Section 4. Vacancies and Removal. Any director may be removed from the Board with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor, subject to removal, however, by vote of the Members of the Association. Notwithstanding the foregoing during the development period, none of the Directors appointed by the Declarant shall be removed without prior written consent of the Declarant.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of the duties.

Section 6. Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect

as though taken at a meeting of the Directors

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting subject to procedural rules adopted by the Board. Such rules shall not be established so as to exclude any Member desiring to be a candidate or desiring to submit the name of a candidate from so doing. The Nominating Committee shall consist of a chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A Majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. In conformity with the provisions of the Declaration and the Act, such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

(d) Declare the office of a member of the Board of Directors vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days after the due date of to bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Facilities to be maintained; and

(h) Approve an annual budget.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, and a Secretary and Treasurer.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors and following each annual meeting of the Members,

Section 3. Term. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualifies to serve.

Section 4. Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any Officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and checks from such accounts as the Board may from time to time determine. He shall make the appointment of Committee Chairman of all Standing Committees.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the voters and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall cause the disbursement of such fund as directed by resolution of the Board of Directors; shall co-sign all promissory notes and checks from such accounts as the Board may from time to time determine; keep proper books of account; cause

an annual audit of the association books to be made by a public accountant at the completion of each fiscal year; and shall be the chief officer responsible for the preparation of an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

The association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees including the Architectural Control Committee, as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by continuing lien upon the property against which the assessments are made. Assessment payments are due on the first day of the Assessment Period as established by the Board of Directors. Any payment received more than ten (10) days following the due date is subject to a late charge of \$10.00, or such other amount as established by the Board of Directors. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property; interest, costs, and reasonable attorney's fees of any such actions shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Facilities or abandonment of his lot.

ARTICLE XII

CORPORATE SEAL

The association shall have a seal in circular form having within its circumference the words: Catoctin Meadows Homeowners Association.

ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of three-fourths (3/4) of the Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of each year, except that first fiscal year shall begin on the date of incorporation.

ARTICLE XV

FHA/VA CONSENTS

Provided that any Lot in the project is encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration and/or the Federal Housing Administration and, provided further, that there are then Class B Memberships of the Association outstanding, shall, by act or omission, take any of the following actions without the prior written consent and approval of the Veterans Administration and/or the Federal Housing Administration and, provided further, that neither the Members, the Board of Directors nor the Association outstanding, shall, by act or omission, take any of the following actions without the prior written consent and approval of the Veterans Administration and/or the Federal Housing Administration:

(a) abandon, partition, subdivide, consolidate, encumber, mortgage, sell or transfer any of the Common Facilities and community facilities; provided, however, that the granting of rights of way, easements and the like for public utilities or for other purposes consistent with the use of the Common Facilities and community facilities by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate the project or Declaration; or

(c) modify or amend any provision of these Bylaws; or

(d) annex additional property to the property which is subject to these Bylaws, the Articles of Incorporation of the Association and the Declaration.

IN WITNESS WHEREOF, we being all the Directors of Catocin Meadows Homeowners Association have hereunto set our hands this ____ day of _____, 19__


Bruce M. Brownell


Wednesday W. Brownell